



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Elisabeth S. Rubin, Treasurer
Steele for Maryland, Inc.
P.O. Box 365
McLean, VA 22101

APR 26 2010

RE: MUR 6223

Dear Ms. Rubin:

On October 26, 2009, the Federal Election Commission notified Steele for Maryland, Inc. and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On April 13, 2010, the Commission found, on the basis of the information in the complaint, and information provided by Steele for Maryland, Inc., that there is no reason to believe Steele for Maryland, Inc. and you, as treasurer, violated 2 U.S.C. §§ 441b(a) and 441f. Accordingly, the Commission closed its file in this matter as it pertains to Steele for Maryland, Inc. and you, as treasurer. The Factual and Legal Analysis, explaining the Commission's finding, is enclosed. The Commission also requests that Steele for Maryland, Inc. confirm the accuracy of its disclosure of the partners to whom the contributions at issue were attributed. See Factual and Legal Analysis, footnote 1.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Kenneth Philbert or Margaret Blument, the attorneys assigned to this matter, at (202) 694-1660.

Sincerely,

Mark Shonkwiler
Assistant General Counsel

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Steele for Maryland, Inc.
Elizabeth S. Rubin, in her official
capacity as treasurer

MUR: 6223

I. GENERATION OF MATTER

This matter was generated by a complaint filed by Melanie Sloan and Ann Weismann, on behalf of Citizens for Responsibility and Ethics in Washington. See 2 U.S.C. § 437(g)(a)(1).

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Background

SJPI is a privately-held real estate development company based in Maryland, which is owned by its President Edward St. John. Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros, H. Richard Williamson, and Gerard Wit are SJPI's Senior Vice Presidents ("the Vice Presidents"). SJPI is also affiliated with, and may effectively control, several limited liability companies and partnerships, including Riverside Technology Park LLC and BWI Technology LLC. SJPI Response at 4-5.

On December 30, 2005, Riverside Technology Park LLC and BWI Technology LLC, each made a \$2,500 contribution to the Steele Committee that was apportioned between primary and general elections. SJPI Response at 5. Pursuant to the Commission's regulations for LLC contributions, the Steele Committee also attributed the LLC contributions to eight specified members – Mr. St. John, the Vice Presidents, and an additional SJPI senior executive. See 11 C.F.R. § 110.1(g). Accordingly, two primary election contributions in the amount of \$262.50

1 and two general election contributions in the amount of \$50 were attributed to each of eight
2 individual members.¹

3 In the summer of 2007, the Maryland State Prosecutor's Office initiated an investigation
4 into contributions by SJPI affiliated companies to state and local candidates and ultimately found
5 that the Vice Presidents' contributions to Democratic gubernatorial nominee Martin O'Malley
6 and Democratic Baltimore County Executive nominee Jim Smith were reimbursed by SJPI in
7 violation of Maryland state law. In a civil settlement that was publicized in a press release,
8 Mr. St. John admitted to civil violations for the reimbursements, agreed to pay a \$55,000 fine,
9 and donated another \$55,000 to a charitable organization.

10 The complaint in this matter was based on the reimbursements cited in the Maryland
11 State Prosecutor's press release of the state settlement, and from the complainants' review of the
12 Commission's disclosure database, which showed that the Vice Presidents made federal
13 contributions to the Steele Committee during the same time as the reimbursed state contributions.
14 Complainants allege that the Steele Committee violated 2 U.S.C. §§ 441b(a) and 441f as well as
15 11 C.F.R. §§ 110.4(b)(1)(i) and 114.2 by accepting contributions that were reimbursed with SJPI
16 funds.

17 SJPI, Mr. St. John, and the Vice Presidents all deny that the Steele Committee
18 contributions were reimbursed. The Steele Committee also denies any violations of federal law,
19 asserting that it screened the contributions pursuant to the Commission regulations at 11 C.F.R.
20 § 103.3, and that there was no information at the time to suggest that the contributions were
21 impermissible. Steele Committee Response.

¹ Although SJPI states that the contributions were attributed to eight members, the Steele Committee's April 2006 Quarterly Report show contributions from only five members - three of the Vice Presidents, Mr. St. John, and the other SJPI senior executive (Edward Okonaki). It is unclear why the other three Vice Presidents' contributions were not disclosed.

B. Legal Analysis

Under the Federal Election Campaign Act of 1971, as amended ("the Act"), corporations are prohibited from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). A candidate, political committee, or other person is prohibited from knowingly accepting or receiving any corporate contribution. *Id.* Furthermore, it is unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, knowingly permitting his name to be used to effect such a contribution, or knowingly accepting a contribution made by one person in the name of another. 2 U.S.C. § 441f. The Commission's regulations further prohibit knowingly helping or assisting any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Those regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

Based on the available information, it does not appear that the Steele Committee contributions were reimbursed, or that they were otherwise impermissible. The SJPI contributors deny that they were, and there currently is no available information to the contrary. It thus appears that the Steele Committee did not violate the Act by receiving and accepting the contributions. Therefore, the Commission finds no reason to believe that the Steele Committee violated 2 U.S.C. §§ 441b(a) or 441f and closes the file as to it.

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